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UNITED STATES DEPARTMENT OF AGRICULTURE
Bureau of Agricultural Economics
Washington

APR 15 1939

WOOL-28 THE WOOL SITUATION April 10, 1939.

Summary

Some irregularity in domestic prices of wool was reported during the past month. But the Bureau of Agricultural Economics says that the wool situation in this country for the new marketing season is somewhat more favorable than a year earlier. Favorable factors include the smaller carry-over of wool into the new season, the extension of the Federal loan program to the 1939 clip, prospects for a much higher rate of mill consumption through the first half of 1939 than in 1938, and the recent firmness in wool prices in foreign markets.

The rate of mill consumption of apparel wool in the United States in February was slightly higher than in January and was almost twice that of February last year. With the possibility of further improvement in consumer demand and with stocks of wool manufactures in trade channels indicated to be relatively small, mill consumption of wool is likely to be fairly well maintained in 1939. But the weekly rate of consumption for the year may average somewhat lower than that of the first quarter.

The spread between domestic and foreign prices in recent months has been sufficiently great to attract larger imports of wool into this country, and imports of apparel wool in the first 2 months of 1939 were considerably larger than a year earlier.

Barring unusual developments in foreign consuming countries in the next few months, it appears that the carry-over of wool into the new Southern

Hemisphere selling season in September will be much smaller than a year earlier and probably will be about average. Supplies in most foreign importing countries except Japan are larger than a year earlier. But mill consumption of wool has increased in foreign countries in recent months.

The raw wool trade of foreign importing countries since 1927 has been characterized by a downward trend in imports into Europe and a sharp upward trend in imports into Japan. In 1938, however, imports into European countries were much larger than in 1937 while imports into Japan were less than half as large as the record 1937 imports.

DOMESTIC SITUATION

Background.- In the spring of 1938 stocks of raw wool in the United States were relatively large, mill consumption was at a low level and prices of wool were the lowest since the early months of 1935. Wool prices in foreign markets also were relatively low but the spread between domestic and foreign prices was considerably less than the tariff and United States imports were small.

The Federal Government loan program for wool producers, approved in March 1938 was an important stabilizing influence on domestic wool prices in the early months of the 1938 marketing season. After reaching a low point in April, domestic mill consumption increased rapidly during the remainder of 1938, stocks of wool were reduced and prices advanced moderately. Prices of wool in foreign markets showed little change after the spring of 1938 but the decline in the exchange value of the British pound tended to lower quotations for foreign wool in terms of United States dollars. The decline in foreign prices in terms of dollars and the advance in domestic prices resulted in a widening of the spread between Boston and London quotations in the last half of 1938 and United States wool imports increased slightly.

Prices of fine grades of wool at Boston, and London and the spread between these prices by months from 1921 to date are shown in figure 1 at the end of this report.

Domestic prices lower in March

Sales of spot wool at Boston were small in March, and prices on most graded lines declined 2 to 4 cents a pound, scoured basis. Interest has shifted to wool of the 1939 clip which is now being shorn; and prices of spot wool at Boston are being adjusted to the new clip basis. Mixed lots of early shorn 3/8 and 1/4 blood bright fleece wools available for immediate shipment from the Middle West were sold late in March at 27 cents a pound in the grease, delivered to eastern markets. In March last year, similar wools from the 1938 clip were offered at 24 to 26 cents a pound. Graded combing 3/8 and 1/4 blood bright fleeces of the old clip were offered late in March at Boston at 29 to 30 cents a pound grease basis, compared with 32 cents a month earlier and 26 to 28 cents a year earlier.

Old clip fine territory wools of good French combing length in original bag lots were sold in Boston at 65 to 68 cents a pound scoured basis, late in March compared with 70 cents a month earlier. Similar wools of the new clip running average to good French combing length were offered for future delivery under 65 cents a pound, but sales of such wool were small.

The United States average price of wool received by farmers on March 15 was 20 cents a pound compared with 20.2 cents on February 15 and 19.2 cents on March 15, 1938.

Federal wool loans extended to 1939 season

The Commodity Credit Corporation has announced that loans to wool and mohair producers on their 1939 production will be available on substantially the same basis as the loans made in 1938.

The loans will be made upon the security of negotiable warehouse receipts issued by warehouses approved by the Commodity Credit Corporation, and the loan values will be determined by appraisers employed by the Corporation in accordance with a schedule of classifications and values for scoured or clean wool. It is estimated that loans on the principal classes of wool will range between 15 and 22 cents per grease pound, basis Boston. In determining the loan values on wool stored at points other than Boston, adjustments will be made to reflect transportation costs to Boston. Loans to producers are expected to average 17 to 18 cents per grease pound.

The loans may be obtained between April 15 and October 31, 1939, will bear 4 percent interest, and will mature not later than May 31, 1940.

In 1938 loans were made on 82 million pounds of wool. On March 17, 1939, loans remained outstanding on about 28 million pounds.

Wool imports larger than in 1938

February imports of apparel wool for consumption, totaling 5.2 million pounds were slightly smaller than the January imports, but they were much larger than in February 1938 when only 1.5 million pounds were imported. Imports

for consumption represent wool entering the country for immediate consumption plus wool withdrawn from bonded warehouses for consumption. Such imports in the first 2 months of the year were 11.3 million pounds compared with 3.5 million pounds a year earlier and 50.8 million pounds in 1937, when imports were relatively large.

Bulk of recent arrivals of apparel wool "Not finer than 40s" grade

Receipts of foreign apparel wool at domestic ports in January and February totaled 16 million pounds. Approximately 11 million pounds of this total were wools grading "not finer than 40s". This wool was imported chiefly from Argentina to be placed in bonded customs warehouses for later disposal.

Carry-over into 1939 season smaller than in 1938

Mill consumption of apparel wool in the 1938-39 season was considerably larger than the domestic production of shorn and pulled wool, and imports were relatively small. As mill consumption exceeded the total of production and imports for the year, the carry-over of wool at the beginning of the new season in April 1939 was smaller than a year earlier, when stocks were fairly large.

Production, imports and mill consumption of apparel wool, grease basis, in the United States, specified periods, 1935-38

Year beginning April 1	Production	General imports 1/	Mill consumption
	Mil. lb.	Mil. lb.	Mil. lb.
1935-36	431	83	2/ 673
1936-37	427	164	582
1937-38	433	60	407
Apr.-Feb. incl.			
1937-38	3/ 433	58	4/ 385
1938-39 Prel.	3/ 437	38	4/ 506

1/ General imports represent entries into bonded warehouses plus wool imported for immediate consumption. Weight as reported - mostly greasy.

2/ Stocks of apparel wool in the United States were large at the beginning of 1935.

3/ Production for entire year.

4/ Because of changes in reporting periods consumption figures for 1937-38 and 1938-39 are not strictly comparable. The figure for 1937-38 is for 48 weeks - Mar. 28, 1937 to Feb. 26, 1938; the 1938-39 figure is for 49 weeks - Mar. 27, 1938 to Mar. 4, 1939.

Mill consumption continues large

Consumption of apparel wool by United States mills in February averaged 5,612,000 pounds, scoured basis, per week. This was slightly larger than the January weekly average and was almost twice as large as that of February last year. With the exception of 1936 and 1937 the February consumption this year was the largest reported for the month of February since 1924.

Mill consumption on a grease basis in the first two months of 1939 was equivalent to 91 million pounds of shorn wool and 14 million pounds of pulled wool. Comparable figures for the first two months of last year were 41 million pounds of shorn wool and 10 million pounds of pulled wool.

OUTLOOK

While some easing in prices at Boston has occurred in the past month, the situation for the early months of the 1939 domestic wool marketing season appears more favorable than that of early 1938. Favorable factors include the smaller carry-over of wool into the new season, the extension of the Federal loan program to wool of the 1939 clip, and prospects for a much higher rate of mill consumption through the first half of 1939 than in 1938. Developments in foreign wool markets in the next few months are not likely to weaken the domestic situation. Supplies in Southern Hemisphere countries for the remainder of the current season are estimated to be about average, and mill activity in European countries is increasing.

With the possibility of some further improvement in domestic consumer demand in 1939 and with stocks of wool manufactures in trade channels indicated to be relatively small, mill consumption of wool in this country is likely to be fairly well maintained throughout 1939. But for the remainder of the year the rate of consumption may average lower than in the first quarter.

The outlook for the new selling season in Southern Hemisphere countries in the latter part of 1939 is somewhat uncertain. Barring unusual developments in consuming countries in the next few months, the quantity of wool carried over in the Southern Hemisphere at the beginning of the 1939-40 season in September probably will be about average and will be much smaller than the carry-over into the 1938-39 season. On the other hand, stocks of raw wool in most importing countries, except Japan, are fairly large. Under normal conditions such stocks could be a weakening factor in the foreign wool market. But the continued expansion of armament programs in European countries favors the building up of stocks of raw wool in consuming countries.

FOREIGN SITUATION

London auctions

The second series of London wool sales for 1938 opened March 14. In the opening week of the series, prices of greasy merinos, greasy fine crossbreds and all slipped wools were about 5 percent higher than at the close of the previous series on February 3. Prices of all other wools were largely unchanged as compared with February closing prices. Prices remained fairly steady during the series.

The average price of 70s, wool, clean basis, top and noil in oil at the March series was 38.6 cents a pound compared with 37.5 cents at the close of the previous series and an average of 42.6 cents for the March series last year. The average price of 56s in March was 28.6 cents a pound, compared with 27.3 cents on February 3 and an average of 31.5 cents in March 1938.

Southern Hemisphere sales

The current season for merino wools in the Southern Hemisphere has been characterized by steady demand and relatively firm prices. The difference between the high and low of weekly quotations on representative grades of merino wool at the Sydney sales since September has been only 2 to 4 cents a pound, clean basis. Price changes in South African markets have been slightly greater than in Australia.

The average price of 70s warp wool at Sydney, Australia in February was 44 cents a pound, clean basis, delivered to Bradford. This compares with 43.1 cents in January and the high monthly average for the current season of 45.2 cents in November. Prices were reported largely unchanged at the March sales in Australia. Disposals of wool at Australian selling centers from July through February of the current season were about 17 percent larger than in the same months of the previous season but were slightly smaller than the average disposals for the corresponding period in the 5 preceding years.

The average price of 70s warp wool at South African selling centers in February was 41.8 cents a pound, clean basis, compared with 41 cents in January. Prices declined slightly in the first half of March. The season for combing wools is about over, and offerings in the next few months will consist chiefly of short wools.

Sales of crossbred wool in South America and New Zealand were fairly large in February, and prices were firm. Prices advanced slightly at New Zealand sales in the first half of March.

Supplies in Southern Hemisphere about average

On March 1 apparent supplies 1/ of wool for disposal in the five principal wool exporting countries of the Southern Hemisphere during the remainder of the

1/ Carry-over from preceding season, plus estimated production, minus exports from beginning of season to Dec. 31. The quantity sold, but not yet exported, and the quantity entering into domestic consumption has not been taken into account in this computation.

1938-39 selling season were estimated to be about 17 percent smaller than a year earlier when supplies were relatively large, but were about the same as average supplies as of March 1 in the 5 years, 1933-37.

Statistics by countries indicate that supplies of merino wool continue somewhat below average, while supplies of crossbred wool are greater than average. Supplies as of March 1 in Australia and the Union of South Africa, which produce chiefly merino wool, were 22 percent smaller than a year earlier and 8 percent smaller than the 5-year average. Total supplies (carry-over plus production) at the beginning of the season in these two countries were estimated to be about 4 percent smaller than the 5-year average. Combined supplies in Argentina, Uruguay and New Zealand, which produce chiefly crossbred wools, were 11 percent smaller on March 1 than a year earlier, but were 7 percent larger than average supplies as of March 1 in the 5 years, 1933-37. The increase over the 5-year average was the result of larger supplies in the South American countries, particularly Uruguay.

Exports of wool from the 5 principal Southern Hemisphere exporting countries to February 28 of the current season were about 30 percent larger than a year earlier, but were about the same as average exports for those months in the 5 seasons, 1932-33 to 1936-37. Exports from Uruguay so far this season are below the 5-year average, but the decrease has been offset by larger exports from Argentina.

Wool exports from 5 Southern Hemisphere countries to February 28 of the 1938-39 season, with comparisons

Country	Period	Average 1932-33 to 1936-37	1936-37	1937-38	1938-39 1/
		Mil. lbs.	Mil. lbs.	Mil. lbs.	Mil. lbs.
Australia 2/	July-Feb.	619.3	599.7	517.8	618.6
Union of So. Africa 3/	" "	175.7	162.4	137.8	174.3
New Zealand 2/	" "	155.6	154.1	134.2	155.6
Total 3 countries	" "	950.6	916.2	789.8	948.5
Argentina 4/	Oct.-Feb.	154.4	165.4	77.1	175.4
Uruguay 4/	" "	69.9	79.9	32.4	50.7
Total 2 countries	" "	224.3	245.3	109.5	226.1

1/ Preliminary. 2/ Estimates of Dalgety & Co. 3/ Official estimates.
4/ Commercial estimates supplies by the Buenos Aires office of the Bureau.

Supplies and activity in importing countries

Imports of wool into the principal wool importing countries of Europe were much larger in 1938 than in 1937, Italy being the only country to report a substantial reduction. Since manufacturing activity in most countries was lower in 1938 than in 1937, it is probable that the larger imports resulted in the building up of stocks of raw wool or semi-manufactures, which had declined to a relatively low level in most countries in 1937.

Imports into the United Kingdom continued large in the early months of 1939. Retained imports of 215 million pounds for Jan-Feb.were the largest for those months since 1934. Activity in the wool textile industry of the United Kingdom improved moderately in the last half of 1938, and since October activity has been greater than a year earlier.

Production of wool tops in France showed a further increase in January, to the highest monthly production reported for some time, according to Wool Intelligence Notes, published by the United Kingdom Imperial Economic Committee. Orders for export are reported to constitute a considerable part of the recent sales by French mills.

Wool imports into Japan in 1938 were less than half as large as the record 1937 imports. Consumption of raw wool was greatly reduced in 1937-38, but the reduction was not so great as the reduction in imports. Japan has purchased more wool from Southern Hemisphere countries in the current season than in the previous season, but warehouse stocks of raw wool are reported to be relatively small.

Trends in imports of raw wool in foreign countries, 1927-38

The raw wool trade of the principal foreign importing countries in the last 10 years has been characterized by a marked upward trend in imports into the United Kingdom and Japan, and a sharp downward trend in French and German imports.

The quantity of imported wool retained by the United Kingdom increased from 471 million pounds in 1929 to 637 million pounds in 1936. In 1937 imports declined rather sharply, but the 1938 imports were only 4 percent smaller than those of 1936. The general improvement in the business situation in the United Kingdom from 1932 to the latter part of 1937 was reflected in increases in the output of the wool textile industry.

The imposition of a tariff on imports of yarns and tissues in 1931, together with the depreciation of the British pound, removed the advantage of low production costs formerly held by continental European countries. This resulted in the shutting out of imports of these products into Great Britain and created an additional demand for home manufactured goods to take the place of goods previously imported. The increase in imports of raw wool through 1935-36 also resulted partly from the increase in exports of tops, yarns and tissues of wool. Such exports have declined since 1935-36, however, and in 1938 were smaller than in any year since 1931 or 1932.

Activity in the wool textile industry of France has been greatly curtailed in recent years by the loss of export markets and by the decline in home consumption. Retained imports of raw wool, including wool pulled from imported sheepskins, which amounted to 577 million pounds in 1927, had declined to 327 million pounds in 1937. In 1938 net imports increased sharply to 413 million pounds.

The devaluation of the French franc in 1936-37 was followed in 1938 by increased activity in the wool textile mills of France. Exports of wool yarns and tissues were much larger in 1938 than in 1937. There is evidence, however, of some accumulation of stocks of raw wool and semi-manufactures in France in recent months.

Imports of raw wool into Germany showed a marked downward trend, following the peak in post-war imports reached in 1927. Net imports, which were 401 million pounds in 1927, declined to 227 million pounds in 1937. The shortage of foreign exchange in Germany resulted in government restrictions on wool imports after the early months of 1934. Imports continued at a reduced level, however, through barter arrangements with certain wool-producing countries. In 1938 the low

world market price of wool and favorable trade balances with certain countries were accompanied by an increase in raw wool imports to 306 million pounds.

The steady decline in net imports of wool into Belgium, from 132 million pounds in 1929 to 65 million pounds in 1934, indicated the serious depression in the Belgian wool textile industry in those years. The devaluation of the Belgian currency in early 1935 was followed by increased business in all sections of the industry. Net imports of wool rose to 143 million pounds in 1937 and were fairly well maintained in 1938.

Imports of wool into Italy increased from 81 million pounds in 1927 to 184 million pounds in 1933. In the latter part of 1934, a quota system of imports was introduced, in an effort to improve the serious foreign exchange situation in Italy. Imports declined to 42 million pounds in 1936 but increased somewhat in 1937 and 1938.

The marked increase in raw wool imports into Japan in the last decade has been about as large as the reduction in imports into Europe. Japanese wool imports increased from 107 million pounds in 1929 to a record of 258 million pounds in 1937. A system of import licenses was instituted in Japan in 1937 to ease the pressure on the yen. Wool imports declined sharply in the latter part of 1937 and in 1938 were only 117 million pounds.

The production of wool manufactures in Japan is chiefly for home consumption, but a considerable export trade in wool yarns and tissues has developed in recent years. Consumption of raw wool has been greatly reduced since 1937 by compulsory mixture of staple fiber with wool in products for the domestic market. Stocks of raw wool in Japan are reported to be relatively small.

Table 1.- Retained imports of raw wool, principal importing countries, 1927-38

Year	United States 1/	Japan	United Kingdom	France 2/	Germany	Belgium	Italy	Poland	Czechoslovakia	U.S.S.R.	Total 10 countries
	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.
1927	265	98	462	577	401	108	81	33	35	24	2,086
1928	242	115	432	512	352	109	99	29	35	82	2,007
1929	272	107	471	568	341	132	114	34	40	86	2,165
1930	154	115	486	581	324	126	115	32	38	72	2,043
1931	159	189	576	466	296	104	98	35	38	68	2,029
1932	58	204	594	478	304	89	156	29	31	56	1,999
1933	151	239	592	569	335	74	184	37	30	63	2,274
1934	108	182	520	350	306	65	142	33	32	55	1,793
1935	200	243	581	406	270	118	116	41	37	70	2,082
1936	254	217	637	353	227	141	42	51	44	57	2,023
1937	322	258	551	327	227	143	93	42	33	64	2,060
1938 3/	103	117	613	413	306	141	76	50	--	--	

Compiled from official sources.

1/ Imports for consumption, apparel and carpet class.

2/ Includes wool pulled from imported skins, estimated at 60 percent of weight of retained imports of wooled skins. (Wool Intelligence Notes). 3/ Preliminary.

Table 2.- Wool imports retained by principal importing countries, annual 1935-38, July-Dec. 1937 and 1938

Country and item	1935	1936	1937	1938 prel.	July-Dec. 1937	July-Dec. 1938
	Mil. lbs.	Mil. lbs.	Mil. lbs.	Mil. lbs.	Mil. lbs.	Mil. lbs.
United States						
Imports 1/						
Apparel wool	42.0	110.7	150.2	30.8	29.6	22.2
Carpet "	158.5	143.3	172.1	71.9	57.0	55.7
United Kingdom						
Imports	864.1	913.9	783.0	882.2	269.8	335.3
Reexports	283.2	276.9	232.1	269.1	82.1	102.6
Retained imports	580.9	637.0	550.9	613.1	187.7	232.7
Domestic exports	56.1	46.6	34.0	30.1	11.4	20.8
France						
Imports - shorn	385.0	353.5	336.7	390.2	127.9	181.5
On skins 2/	68.2	63.5	59.3	71.7	23.5	39.7
Reexports and exports	47.6	64.4	69.2	49.3	29.3	27.9
Import balance	405.6	352.6	326.8	412.6	122.1	193.3
Germany						
Imports	272.8	227.7	227.4	306.0	93.3	119.4
Reexports and exports	3.3	0.8	0.4	0.0	3/	3/
Import balance	269.5	226.9	227.0	306.0	93.3	119.4
Belgium						
Imports	235.0	246.8	255.6	216.7	77.3	99.2
Reexports and exports	117.2	106.1	113.0	75.7	37.4	40.1
Import balance	117.8	140.7	142.6	141.0	39.9	59.1
Italy						
Imports 3/	116.0	42.3	93.0	76.1	42.0	35.6
Japan						
Imports 3/	243.4	216.8	258.3	116.6	38.1	59.3

Compiled from official sources.

1/ Imports for consumption.

2/ Wool equivalent as reported in Wool Intelligence Notes, United Kingdom Imperial Economic Committee. (Estimated at 60 percent of retained imports of wooled skins.)

3/ Exports negligible.

Table 3.- Prices of wool per pound in specified markets and prices of textile raw materials in the United States, selected periods, 1937-39

Market and description	Average		1938	1939		
	1937	1938	Mar.	Jan.	Feb.	Mar.
Boston:	Cents	Cents	Cents	Cents	Cents	Cents
Territory combing, scoured basis						
64s, 70s, 80s(fine)	101.9	70.4	69.0	72.2	73.8	71.2
56s (3/8 blood)	87.1	58.9	58.3	60.8	61.0	59.9
46s (low 1/4 blood)	72.1	52.4	51.0	54.0	54.0	52.5
United States:						
Farm price, 15th of month grease basis	32.0	19.1	19.2	20.0	20.2	20.0
London: 1/						
Average quality, clean cost 2/						
70s	62.1	42.4	42.6	37.0	37.6	38.6
56s	46.3	31.4	31.5	28.2	27.3	28.6
46s	39.5	27.1	27.5	24.8	23.9	23.9
Bradford: 3/						
Scoured basis -						
64s warp	64.7	44.2	43.4	42.9	42.0	41.0
50s	43.2	28.2	27.9	26.3	27.4	27.3
Australia:						
Average price at selling centers grease wool 4/	24.7	17.6	19.6	17.1	17.1	
Sydney (delivered Bradford)						
70s warp, clean basis 5/	6/67.5	7/48.1	49.9	43.1	44.0	
Union of South Africa:						
Average export price greasy wool	25.1	16.6	17.5	15.9	15.9	
Price at selling centers, 70s warp, clean cost 8/	9/63.2	6/46.3	49.4	41.0	41.8	
Argentina - Buenos Aires						
Coarse crossbred, greasy 10/	11/21.7	12/15.0	14.8	12.8	12.8	
Uruguay - Montevideo						
Crossbred, greasy 13/						
Fine 50/56s-60s	14/36.6	18.8	18.6	17.8	17.9	
Coarse 32/36s-44s	14/28.2	17.0	16.8	15.6	15.7	
United States:						
Textile fibers -						
Wool, territory fine staple 15/	101.9	70.4	69.0	72.2	73.8	71.2
Cotton, 7/8 Middling 16/	11.22	8.58	8.89	8.54	8.52	8.64
Silk, Japanese 13-15 17/	186.0	170.6	163.4	190.0	211.4	221.8
Rayon, yarn, 150 denier 18/	62.2	52.2	54.0	51.0	51.0	51.0

Foreign prices have been converted at prevailing rates of exchange. Yearly averages are averages of monthly prices except United States farm price which is a weighted average.

1/ Average of quotations for each series of London sales reported by the London office of the Bureau. For months when no sales were held, figures are interpolated. 2/ Top and noil in oil. 3/ Quotations reported about the 25th of the month by the London office of the Bureau. 4/ Reports of the National Council of Wool Selling Brokers. 5/ Monthly averages of weekly quotations from the Wool Record and Textile World, England. 6/ 8-month average. No quotations May to August. 7/ 9-month average. No quotations June to August. 8/ South African Ministry for Agriculture. 9/ 10-month average. No quotations July and August. 10/ Wools of South and Southeast Buenos Aires Province. Revista Quincenal de Precios - Salaberry Barcetche & Cia. 11/ 4-month average. No quotations April to November. 12/ 11-month average. No quotations for October. 13/Boletin de Hacienda, Uruguay. 14/6-month average. No quotations May to October. 15/Scoured basis at Boston. 16/Average at 10 markets. 17/ 78 percent white at New York, Bureau of Labor Statistics. 18/Bureau of Labor Statistics.

Table 4.- United States: Wool imports, consumption and machinery activity, specified periods, 1937-39

Item	1937	1938	1938		1939	
			Jan.	Feb.	Jan.	Feb.
	1,000 pounds	1,000 pounds	1,000 pounds	1,000 pounds	1,000 pounds	1,000 pounds
Imports for consumption:						
actual weight: 1/						
Apparel	150,160	30,811	2,068	1,462	6,099	5,223
Finer than 40s	126,601	18,443	1,517	1,147	3,849	3,453
Not finer than 40s	23,559	12,369	551	316	2,250	1,770
Carpet, including camels hair	172,091	71,908	2,457	2,173	15,669	11,807
Consumption, scoured basis: 2/ (Weekly av.):						
Apparel	4,772	4,143	2,542	3,023	5,188	5,612
Carpet	2,023	1,225	734	996	1,957	2,194
Aggregate -						
Apparel	248,121	219,565	12,709	12,090	25,941	22,449
Carpet	105,197	64,945	3,672	3,982	9,784	8,776
			Weekly average in hours			
Machinery activity 2/						
Hours operated per machine in place 3/						
Worsted combs	46.1	39.5	26.3	25.6	49.5	52.8
Worsted spindles	32.9	26.6	20.2	18.6	40.9	38.3
Woolen spindles	43.1	30.6	25.7	30.3	40.0	40.0
Woolen & Worsted looms						
Broad	39.0	28.0	26.8	28.0	44.3	44.6
Narrow	20.4	10.5	11.3	11.2	11.7	11.7
Carpet & rug looms						
Broad	) 28.6	) 18.8	17.3	21.6	34.1	38.2
Narrow	)	)	11.9	14.2	22.4	25.3

Import figures from the Bureau of Foreign and Domestic Commerce. Consumption and machinery activity from the Bureau of the Census.

1/ Weight of greasy, scoured and skin wool added together.
2/ Figures for January based on 5 weeks, February on 4 weeks: 1937 totals based on 52 weeks, 1938 totals on 53 weeks. No adjustment made for holidays.
3/ "Weekly average hours operated per machine or spindle in place" will take the place of "percentage of maximum single shift capacity" for figures previously reported. The percentage of single shift capacity (40 hours) may be obtained by dividing the above figures by 40.

WOOL, FINE: AVERAGE PRICES AT BOSTON AND LONDON, AND SPREAD BETWEEN THESE PRICES, 1921 TO DATE

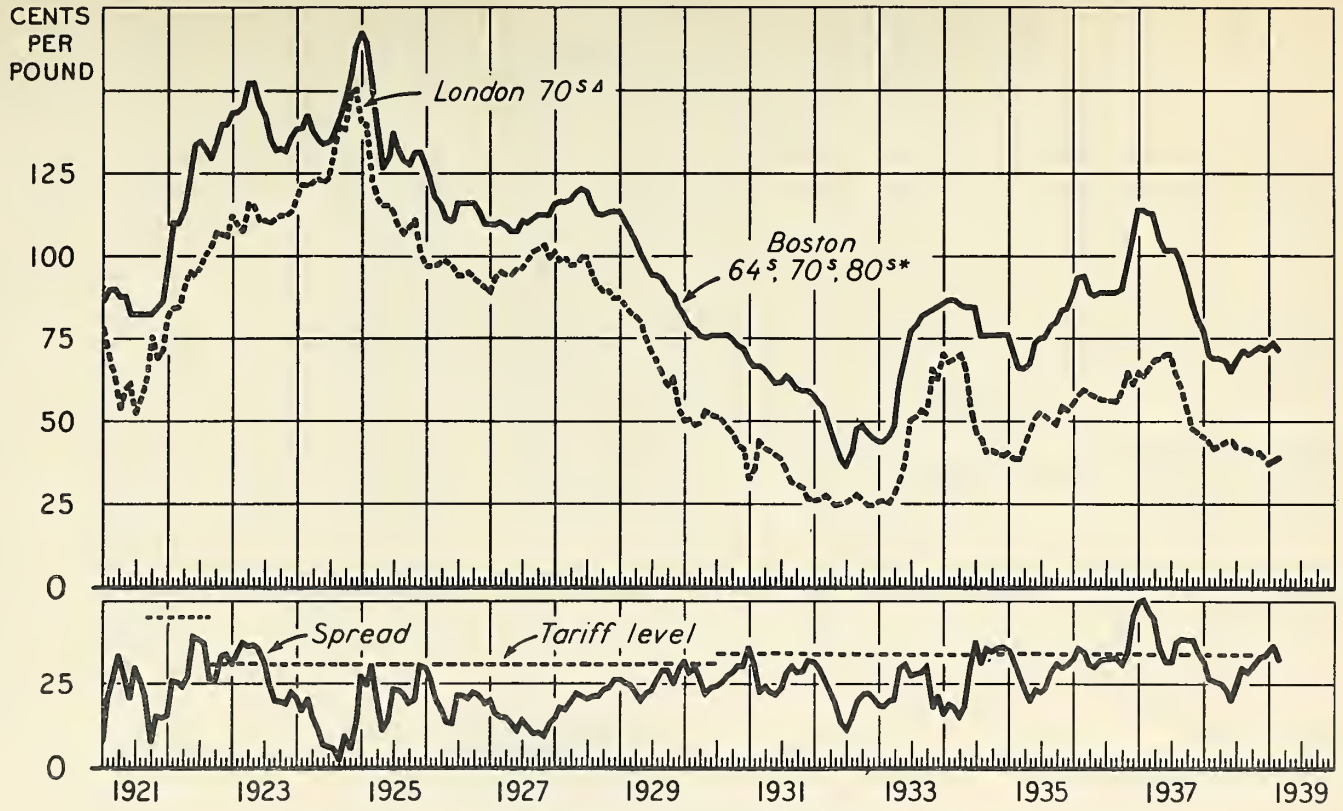

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FIGURE 1.- THE DECLINE IN WOOL PRICES IN FOREIGN MARKETS IN 1937 AND THE EARLY MONTHS OF 1938 WAS NOT SO GREAT AS THE DECLINE IN PRICES IN THE DOMESTIC MARKET, AND IN THE EARLY MONTHS OF 1938 THE SPREAD BETWEEN BOSTON AND LONDON PRICES OF SOMEWHAT COMPARABLE GRADES OF WOOL WAS RELATIVELY NARROW. DOMESTIC PRICES ADVANCED MODERATELY AFTER THE EARLY SUMMER OF 1938 WHILE FOREIGN PRICES, IN TERMS OF DOLLARS, DECLINED. THIS RESULTED IN A CONSIDERABLE WIDENING OF THE SPREAD BETWEEN BOSTON AND LONDON PRICES, AND IMPORTS OF APPAREL WOOL IN THE FIRST QUARTER OF 1939 WERE CONSIDERABLY LARGER THAN A YEAR EARLIER.

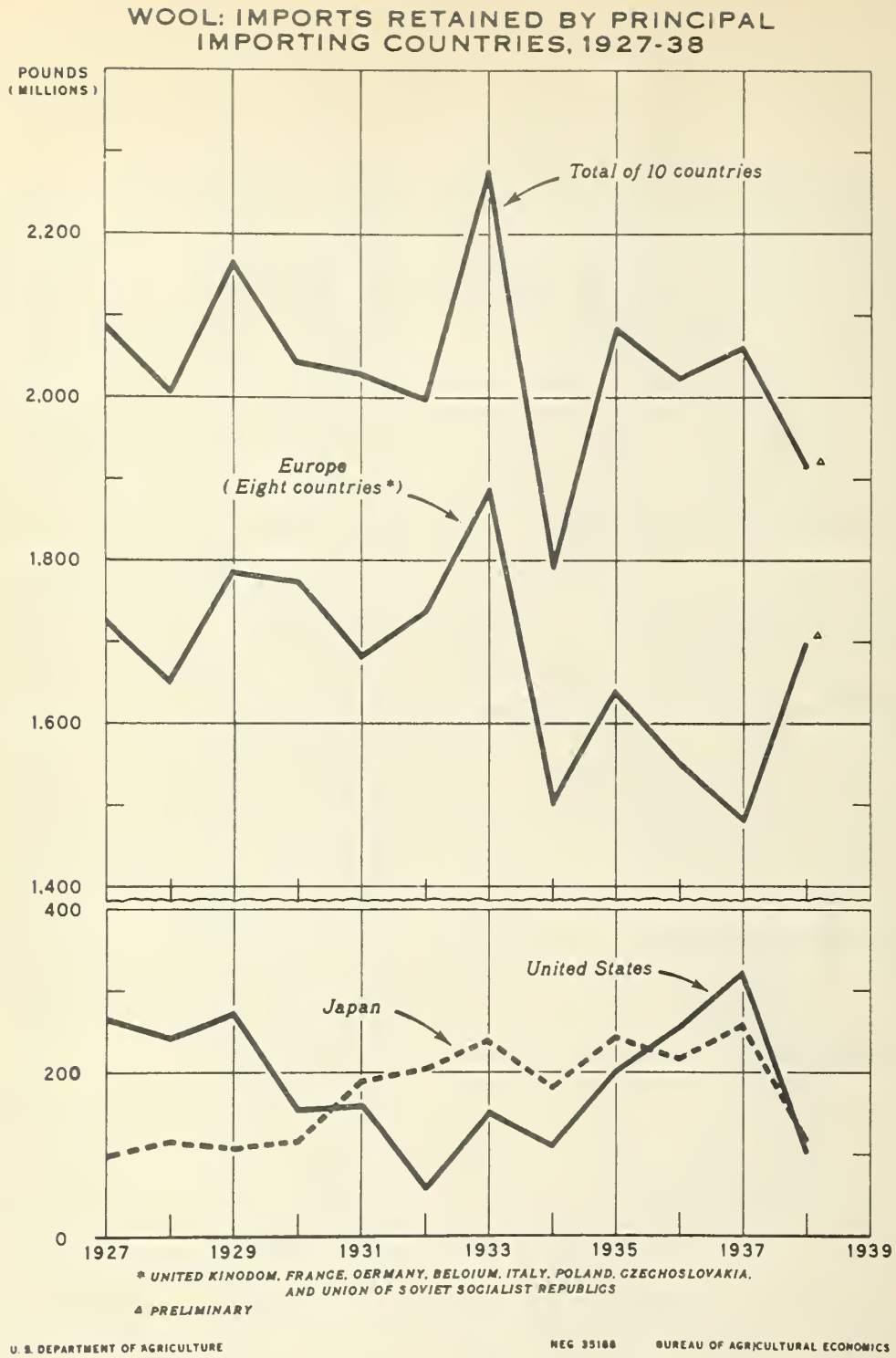

FIGURE 2.- THE RAW WOOL TRADE OF FOREIGN IMPORTING COUNTRIES SINCE 1927 HAS BEEN CHARACTERIZED BY A DOWNWARD TREND IN IMPORTS INTO EUROPE AND A SHARP UPWARD TREND IN IMPORTS INTO JAPAN. IN 1938, HOWEVER, IMPORTS INTO EUROPEAN COUNTRIES WERE MUCH LARGER THAN IN 1937 WHILE IMPORTS INTO JAPAN WERE LESS THAN HALF AS LARGE AS THE RECORD 1937 IMPORTS.